

# Economic Development/Community Services

## 2018 Budget

# 2017 Accomplishments

## *Community Services*

- ▣ Worked with Diversity Commission on ambitious Work Plan including Youth Forum, World Café, Fourth of July parade, film series, grants program, incident responses, development of work plan, etc.
- ▣ Together with services of Carolyn Douglas as part-time public information officer/press relations coordinator, we have created a substantial, continuous public/media presence leading to regional press coverage, increased and regular social media activity, etc.

# 2017 Accomplishments

## *Community Services*

- ▣ Managed lobbying efforts in Olympia and DC on behalf of Edmonds interests – both legislative and funding
- ▣ Collaborated with Public Works and our Olympia lobbyist in successfully securing funds for Phase II of the Edmonds Street Waterfront Connector project, and \$1M for Highway 99
- ▣ Together with Public Works and Parks, completed Downtown Restroom project
- ▣ Collaborated on Sustainable Cities Initiative projects (4<sup>th</sup> Avenue Arts Corridor, Green Business, Mobile App)

# 2017 Accomplishments

## *Economic Development*

### ▣ Related to Tourism:

- Launched new tourism website and promoted greater use and visibility of the arts/culture/events calendar
- Enhanced tourism-promotional ad presence in the region – radio, print, digital – including largest-ever campaign for 2017 holiday season, in conjunction with *Ed!*
- Collaborated with Port of Edmonds on digital ad campaign targeted for Denver metro next Spring, using whale-watching at the “hook” to drive visitors to Seattle/Edmonds (Port of Seattle grant + local monies)

# 2017 Accomplishments

## *Economic Development*

- ▣ Initiated third season of Holiday Market
- ▣ Together with Ed! have created substantially enhanced Holiday offerings/activities including holiday market, trolley, caroling contest, jazz/brass ensemble performances, dedicated holiday website, etc.
- ▣ Provided more enhanced business-attraction advertising throughout region (Seattle Business magazine, Daily Journal of Commerce, 425 Business magazine, and KUOW radio)
- ▣ Provided home-based business and small-business seminars, with multiple agency partners
- ▣ Provided support to property owners and/or architects & developers on potential redevelopment projects, such as downtown hotel, Highway 99 area projects, etc.

# 2017 Accomplishments

## *Economic Development*

- ▣ Convened ad hoc Downtown parking committee late 2016, leading to parking enhancements in early 2017
- ▣ Hosted Highway 99 Redevelopment Forum
- ▣ Provided support to Economic Development Commission, including assistance with research, consideration and memos on such issues as:
  - Civic Park Master Plan, Highway 99 Subarea Plan, Affordable Housing, BD1 First Floor Height, Potential for City Facilities, etc.
- ▣ Worked with Snohomish Co. Small Business Development Center to hire new staff, bring office hours to Edmonds, collaborate on initiatives



## VISIT EDMONDS

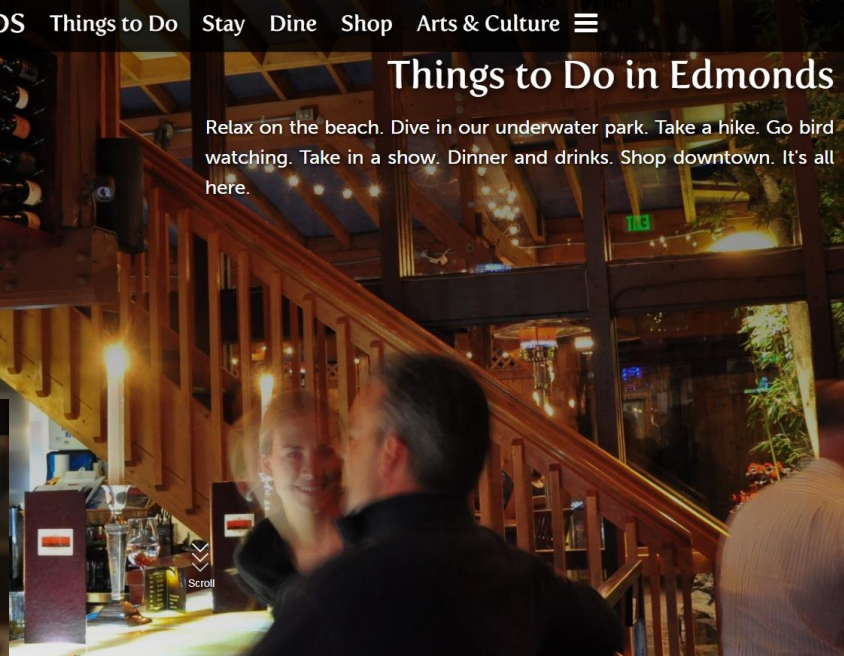
Blessed with art galleries and performance halls, a historic downtown, sandy beaches and a sense of place that makes you stop ... breathe ... and linger awhile. Welcome to Edmonds!



Newsletter Arts & Culture Calendar

## Things to Do in Edmonds

Relax on the beach. Dive in our underwater park. Take a hike. Go bird watching. Take in a show. Dinner and drinks. Shop downtown. It's all here.



## Shop in Edmonds

Our vibrant and historic downtown has everything you're looking for, from boutiques to art galleries to jewelers.

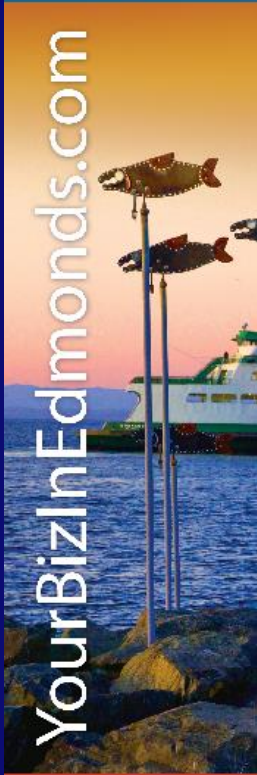


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A man with glasses, wearing a light-colored suit jacket, white shirt, and patterned tie, is captured in a dynamic pose while playing the drums. He is holding a drumstick high in his right hand, about to strike a cymbal. The background is dark, and the lighting highlights his face and the drum set.

## Dinner and a Show in EDMONDS

Feel the beat in Edmonds.  
Theater. Symphony.  
Bands. Ballet. Performing arts  
are in full swing this fall.  
Take in a show. Visit a gallery.  
Dine downtown. It's an  
Edmonds kind of getaway.

***Visit*Edmonds.com**

Photo © Barb New Studios

# Annual Events

## MARCH

- DeMiero Jazz Fest

## MAY — OCTOBER SATURDAYS

- Farmers Market

## MAY/JUNE

- Edmonds Jazz Connection
- Rotary Waterfront Festival

## JUNE

- Edmonds Arts Festival

## JULY

- Fourth of July Parade & Fireworks
- Edmonds in Bloom – Garden Tour

## JULY — AUGUST

- Summer Concerts

## AUGUST

- Taste of Edmonds

## SEPTEMBER

- Puget Sound Bird Fest
- Edmonds Classic Car Show
- Edmonds Art Studio Tour

## OCTOBER

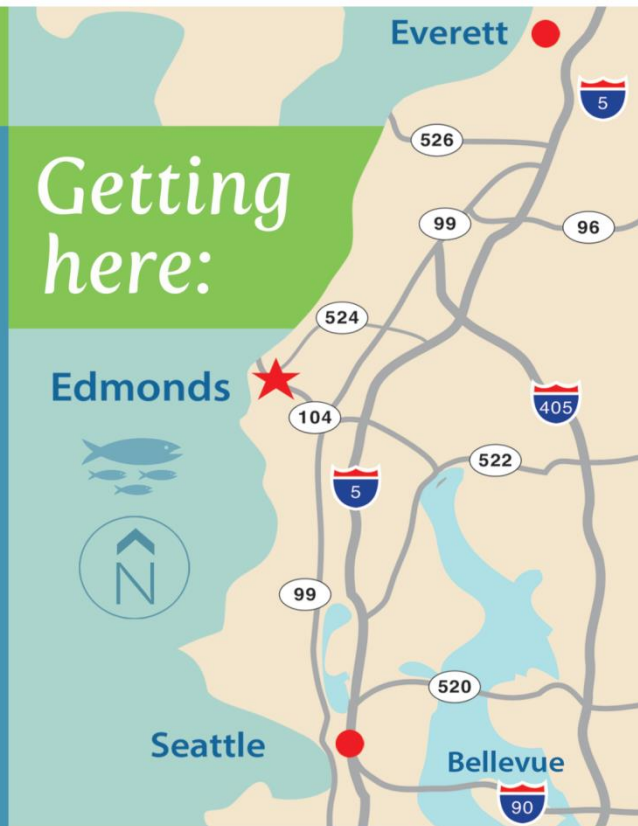
- Write on the Sound Writers' Conference
- Children's Annual Halloween Trick-or-Treat

## NOVEMBER — DECEMBER

- Tree-Lighting Ceremony
- Holiday Market

*Brochure funded by City of Edmonds lodging tax fund.*

## Getting here:



Access to Edmonds is easy by car, regional rail, private boat with public marina moorage, or by WA State Ferry.

**Edmonds Visitors Center**  
120 5th Ave N | Edmonds | WA 98020

**Contact:**  
[info@visitedmonds.com](mailto:info@visitedmonds.com) | 1.877.775.6935



[VisitEdmonds.com](http://VisitEdmonds.com)

# EDMONDS

## Experience the Charm!





# Edmonds Holiday Market



Saturdays 10 am - 3 pm  
November 4, 11, 18 & December 2, 9, 16

**On 5<sup>th</sup> Avenue North in front of City Hall**



Holiday greenery



Produce, preserves, edibles



Baked goods & sweets



Specialty gift items

# 2018 Challenges

## *Community Services*

- ▣ Pursue Legislative agenda items, including future funding commitment for Edmonds Street Waterfront Connector to help leverage federal grant funding
- ▣ Support the Diversity Commission and its 2018 Work Plan
- ▣ Expand and enhance public outreach, communications and engagement efforts

# 2018 Challenges

## *Economic Development*

- ▣ Support property owners in Downtown, Westgate, Hwy 99, and other business districts to assist with appropriate redevelopment
- ▣ Continue to seek hotel for Downtown
- ▣ Enhanced and expanded business-attraction advertising, including potentially foreign appeal in concert with EASC
- ▣ Recruitment of new business/investment and retention/expansion of existing business
- ▣ Pursue greater tourism-promotion opportunities (including new initiative with Port in Denver metro)



# Expenditures

Expenditures	2017 Approved Budget	2017 YE Estimate	2018 Recmd Budget	%age Change
Community Services	\$471,530	\$475,720	\$490,751	4%
Economic Development	\$105,200	\$104,920	\$92,710	-12%
Total	\$576,730	\$580,640	\$583,461	1%

# Decision Packages

## *Community Services*

- ▣ DP #14 - \$72,000 for federal lobbyist/strategist
- ▣ DP #15 - \$6,000 for Diversity Commission contracted staff services
- ▣ DP #16 – \$5,500 for Diversity Commission program support (increase of \$1,500)

# Decision Packages

*Economic Development*

- ▣ No decision packages

# LTAC

## Tourism Promotion Program

- ▣ Lodging tax revenues are used to fund the City's Tourism Promotion Program
- ▣ Only permissible use of these funds per RCW
- ▣ Revenues projected for 2018 are \$115,000 (down slightly from 2017)
- ▣ City's Tourism Promotion Program consists of:
  - Support and promotion of arts, culture and other events that attract visitors (25%)
  - General Marketing and promotion (ads, website, rack cards, etc.) (75%)

# Proposed 2017 Tourism Promotion Program – Use of Funds

- ▣ Arts/Culture-related (25% of revenue):
  - \$21,000 Arts Commission grants for tourism-promotion:

\$2,000 – Cascade Symphony	\$2,600 – Olympic Ballet Theater
\$1,200 – Art Studio Tour	\$2,400 – Driftwood Players
\$1,500 – Sno-King Chorale	\$2,000 – Art Walk
\$2,500 – DeMiero Jazz Fest	\$2,200 – Jazz Connection
\$500 – Edmonds Arts Festival	\$2,500– Cascadia Art Museum
\$1,600 – Phoenix Theater	

- \$8,500 in Arts Commission program expenditures:

\$7,500 – Write on the Sound	\$1,000 – Public art brochure
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# Proposed 2017 Tourism Promotion Program – Use of Funds

DP #49:

General tourism promotion (75%):

Professional Services

- \$8,000 – Printing/distribution of rack card
- \$1,500 – Promotion/support of Bird Fest
- \$6,400 – Support of Snohomish Co. Tourism Bureau
- \$2,500 – Edmonds Visitors Center
- \$20,000 – Contracted staff support for tourism promotion/website/arts-events calendar
- \$2,400 – Website hosting, technical support

# Proposed 2017 Tourism Promotion Program – Use of Funds

## General tourism promotion, cont'd:

### Advertising

- \$30,000 – General advertising
- \$12,500 – Advertising in ECA Season Brochure

### Miscellaneous

- \$250 – Miscellaneous, incl ad design work, photography

### Interfund Transfer

- \$4,000 – Promotion of Edmonds arts/culture events in Snohomish County Visitors Guide, CRAZE recreation guide and “Arts Access” (Snohomish Countywide)

TOTAL - \$87,550

# Proposed 2017 Tourism Promotion Program – Use of Funds

General tourism promotion, cont'd:

One-time expenditures from fund balance:

- \$1,000 – Enhanced advertising for 2017 Waterfront Festival grant
- \$1,000 – Enhanced advertising for 2017 Chamber Chowder Cook-Off
- \$1,000 – Taste of Edmonds advertising

TOTAL - \$3,000



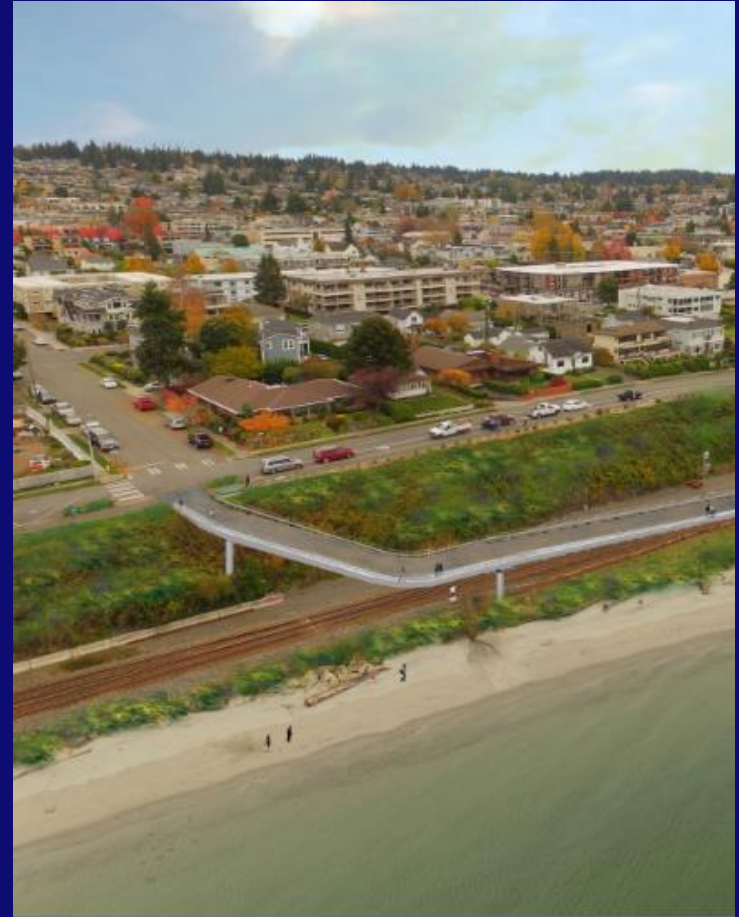


# Mayor's Office 2018 Budget



# 2017 Accomplishments

- Renegotiated Fire District 1 contract
- Olympia success
  - \$700,000 to move Edmonds Street Waterfront Connector project forward
  - With impending Capital Budget passage
    - \$391,000 Frances Anderson roof
    - \$500,000 for Waterfront project
  - \$100,000 for Hwy 99



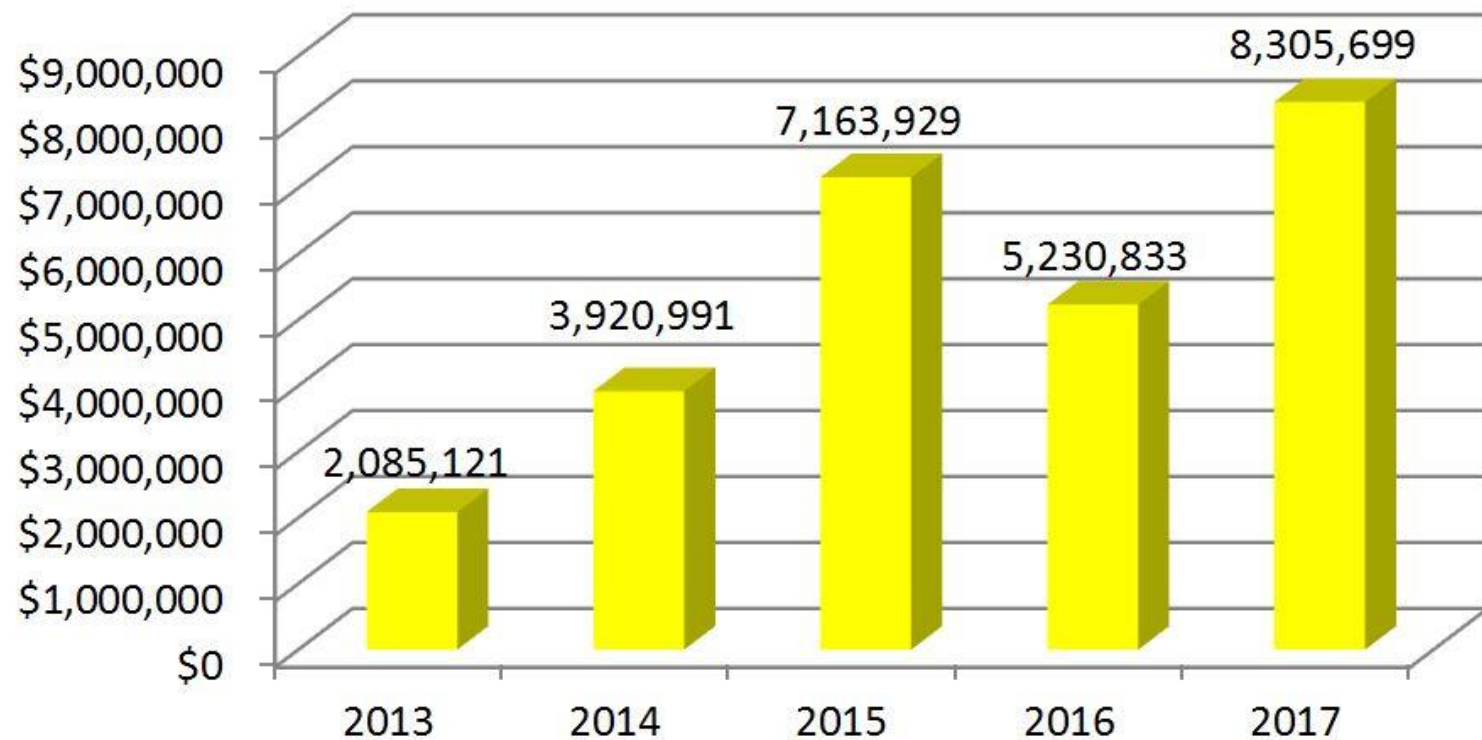
# 2017 Accomplishments (cont.)

- Total Parks, Public Works & Engineering grants - \$8,305,699
- Operating revenues are \$325,000 higher than 2016
- Maintained strong financial strength
- Successful conclusion of Police labor negotiations
- Road surfacing of 8.6 lane miles



# 2017 Accomplishments (cont.)

## Grant Revenues



# Challenges

- Maintain Edmonds long-term financial strength
- Continue progress on major projects
  - Waterfront Access projects and Highway 99
- Funding for Civic Park
- Continue progress on infrastructure needs such as: road resurfacing and water, sewer and stormwater projects
- Continue seeking grants
- Conclusion of three labor group negotiations

# Expenditures

Expenditures	2017 Budget	2017 YE Estimate	2018 Recomm.	Discussion
Total	276,700	276,900	297,088	



# Questions?

# **Finance & Information Services Department 2018 Budget**

# 2017 Accomplishments

- ❑ Received GFOA's Certificate of Achievement for Excellence in Financial Reporting

Government Finance Officers Association

Certificate of Achievement for Excellence in  
Financial Reporting

Presented to  
City of Edmonds Washington  
For its Comprehensive Annual Financial  
Report  
for the Fiscal Year Ended

December 31, 2015

# 2017 Accomplishments

- Received A Clean Audit for 2016
- Submitted 2016 CAFR to GFOA

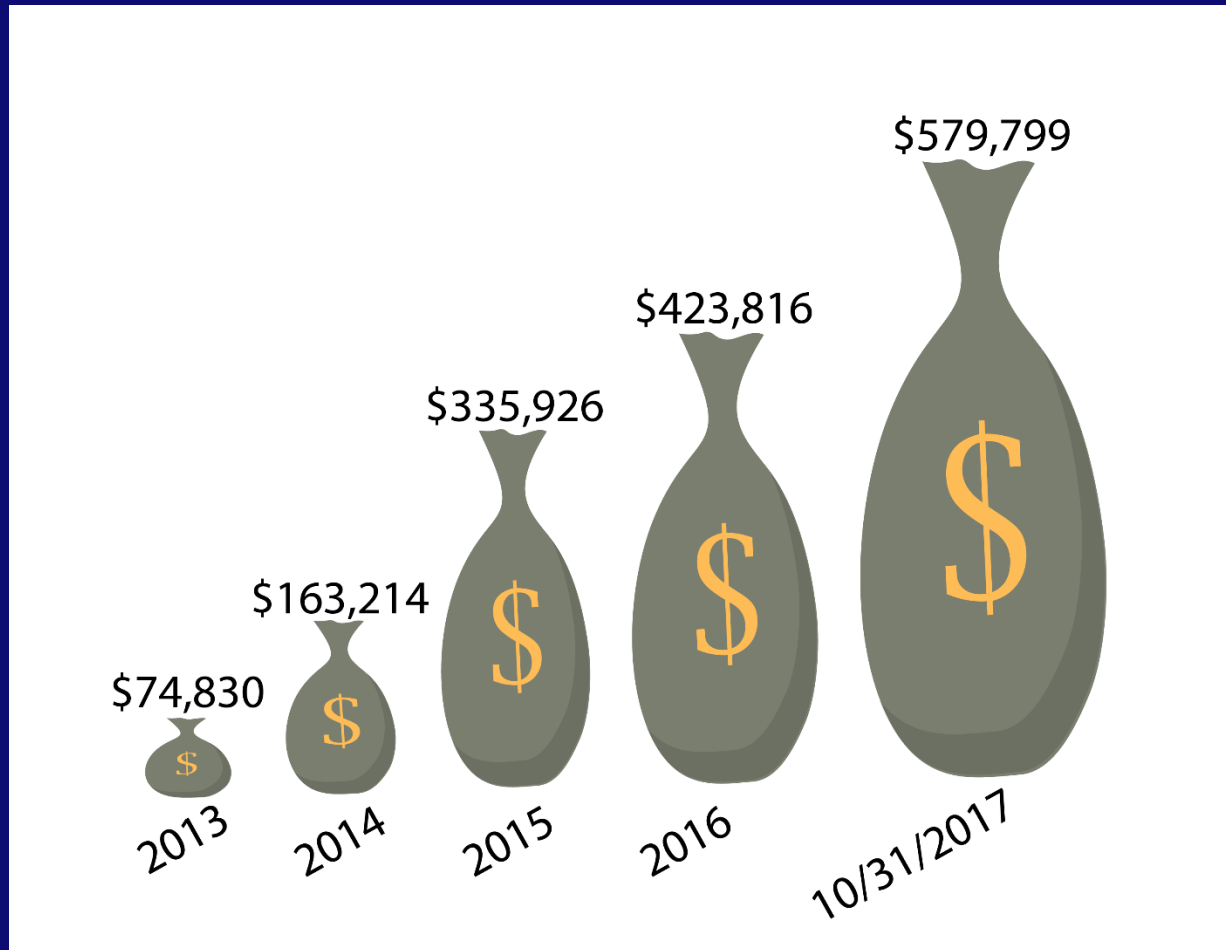
# 2017 Accomplishments

Assistant Finance Director, Dave Turley Completed the City's First PAFR



# 2017 Accomplishments

## □ Investment earnings



# Challenges

- ❑ Develop Long-range Financial Plans
- ❑ Review Financial Policies



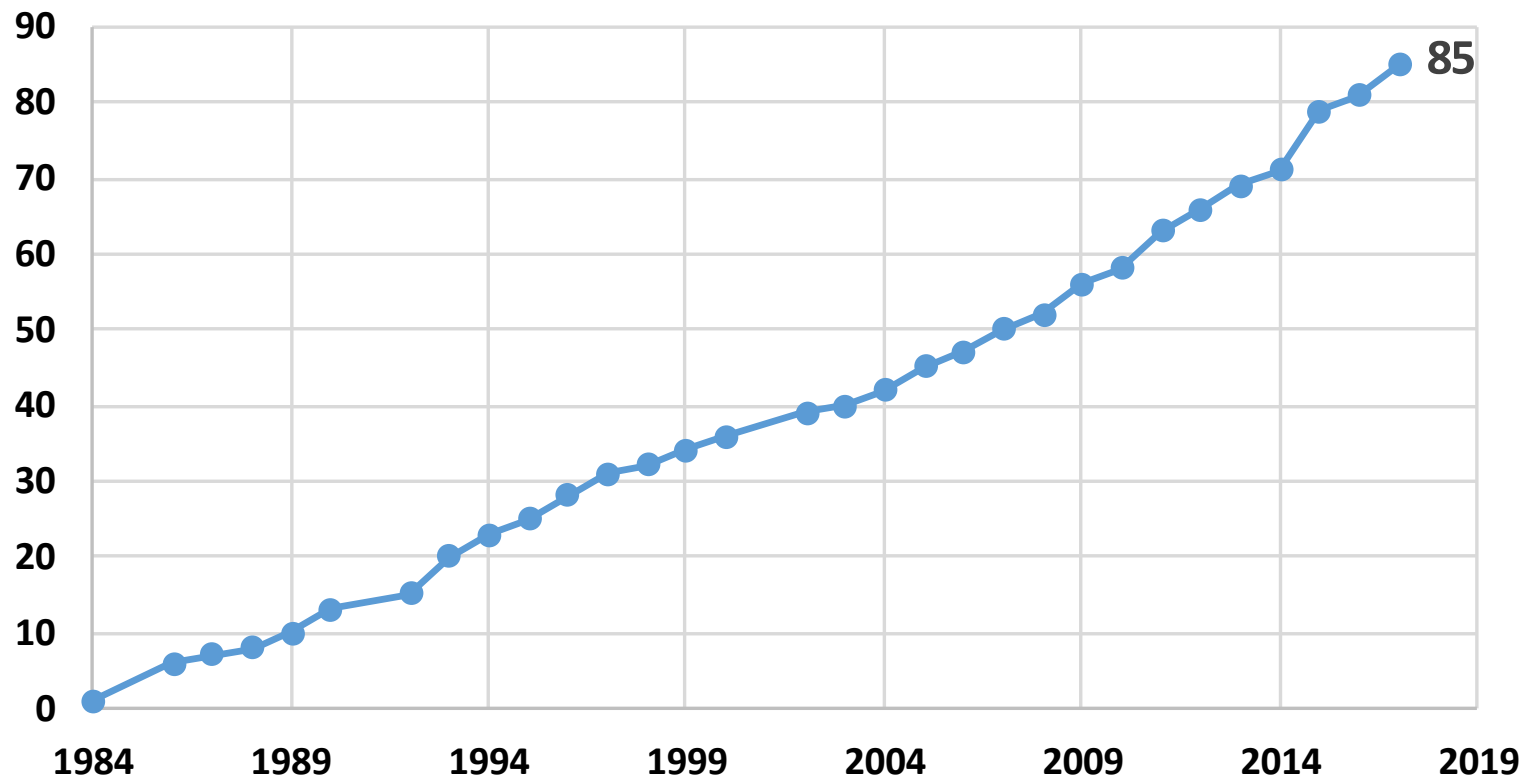
# Expenditures

Expenditures	2017 Budget	2017 YE Estimate	2018 Recomm.	Discussion
Total	1,049,560	1,046,710	1,237,786	New Staff Member

# Decision Package #8

## Senior Accountant \$132,030

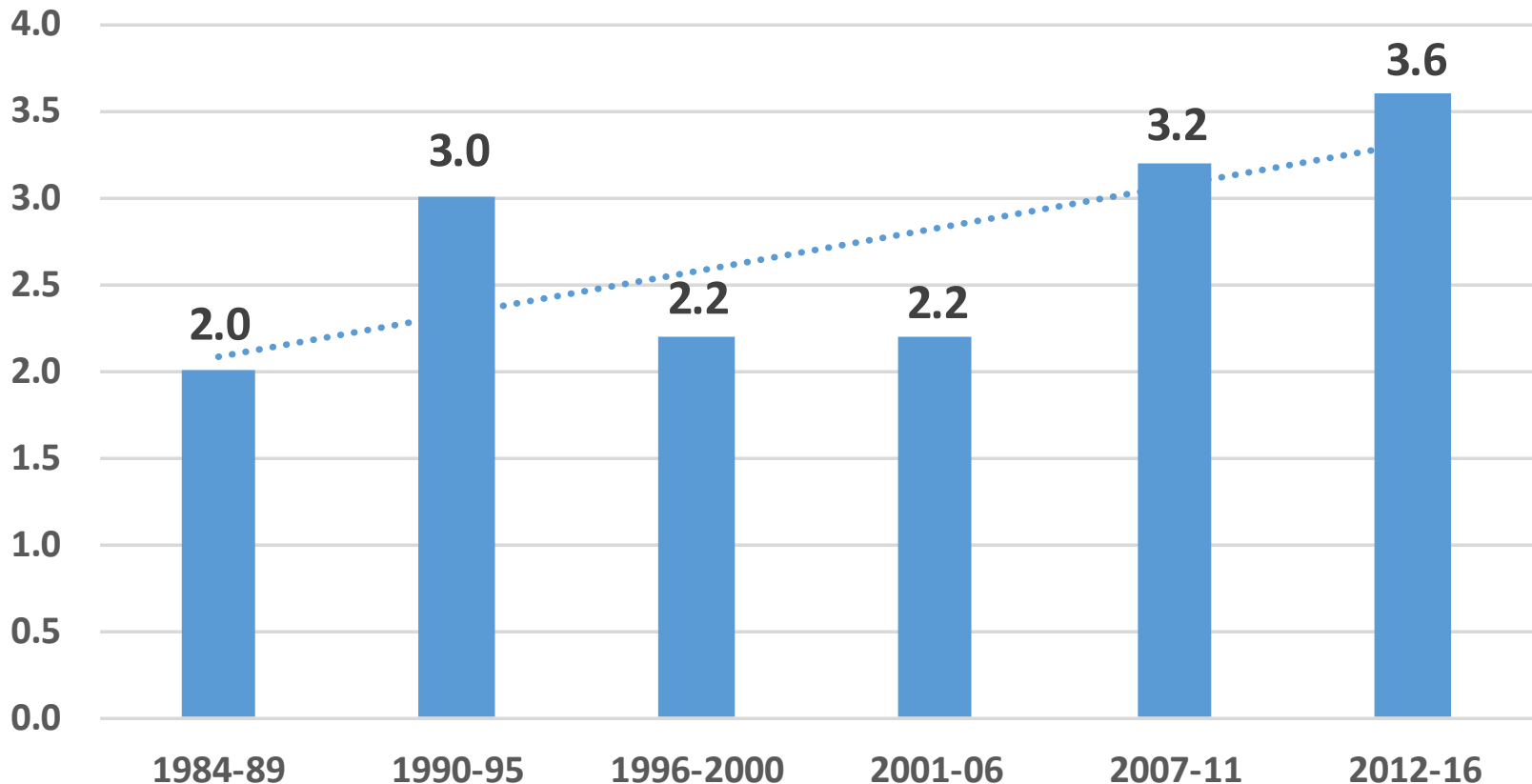
**Number of Pronouncements**



# Decision Package #8

## Senior Accountant \$132,030

### 5 Year Average of New Pronouncements



# Questions?

# Information Services 2018 Budget



# Expenditures

Expenditures	2017 Budget	2017 YE Estimate	2018 Recomm.	Discussion
Information Services	890,430	889,890	1,135,113	DP 13,119,120,121

# Information Systems

## Decision Packages

- ❑ Decision Package #13: (\$1,040) change in equipment rental rate
- ❑ Decision Package #119: \$18,800 Hardware & Software maintenance
- ❑ Decision Package #120: \$253,000 phone system replacement
- ❑ Decision Package #121: \$24,000 Server memory upgrade
- ❑ \$56,000 was in IT Capital Fund, but was reset at beginning of budget process. This decreases fund balance. Move to small equipment account from capital account

# B Fund Balance



# Questions?

# Non-Departmental 2018 Budget



# Non-Departmental Purpose

- ❑ Non-Departmental is used to segregate all costs not directly identifiable to departments and those expenditures and services that are required by law or contract that are beneficial to all citizens
- ❑ The Finance Department provides oversight to the Non-Departmental budget

# Key Non-Departmental Expenditures

Expenditures	2017 Budget	2017 YE Estimate	2018 Recomm.	Discussion
Liability & Property Ins.	609,550	624,530	624,530	Small Increase
Fire District Contract	7,713,000	7,906,390	7,678,200	Approx. 3.7% increase
Prisoner Care	620,000	600,000	620,000	Booking & Housing
SNOCOM	1,028,700	977,270	1,026,130	Approx. 4.8% increase
Debt Service	40,080	40,080	21,660	Small Reduction
Interfund Transfers	1,065,200	1,065,200	1,209,370	Review Later
Other ND Expenditures	1,588,915	1,406,210	2,460,557	Questions - contact me
<b>Total</b>	<b>12,665,445</b>	<b>12,619,680</b>	<b>13,640,447</b>	

# Fire District 2018 Contract

- ❑ We estimate that the City will pay Fire District 1 \$7,378,718 for 2017 services
- ❑ 2017 Total Paid to FD1 is estimated \$7,906,390
- ❑ The 2018 Proposed Budget includes a base payment of \$7,678,390, a 4.1% increase for services

# Primary Budget Changes Include

- ❑ \$250,000 – Council Contingency to fund Council priorities
- ❑ Decision Package #10: (\$76,210)
- ❑ Decision Package #66: \$300,000 for Street Preservation
- ❑ Transfer \$760,000 to the Contingency Fund Reserves
- ❑ Reserving \$2 million for Civic Field

# Other Finance Managed Funds

- ❑ Finance is responsible for the budgets of several other small funds:
  - ❑ LEOFF Medical
  - ❑ Risk Management
  - ❑ Contingency Reserve
  - ❑ Employee Parking
  - ❑ LID and Debt Service Funds
  - ❑ Fireman's Pension



# Questions?



# **2018 Budget City of Edmonds Revenue Overview**



# Context

- The economic prospect for Edmonds will continue to be strong, barring some major incident
- 2018 operating revenues see only 0.5% growth over 2017
- Increasing property values
- Future budgets may become more challenging as revenue growth slows
- City will have to look for either new on-going revenues or on-going expenditure savings



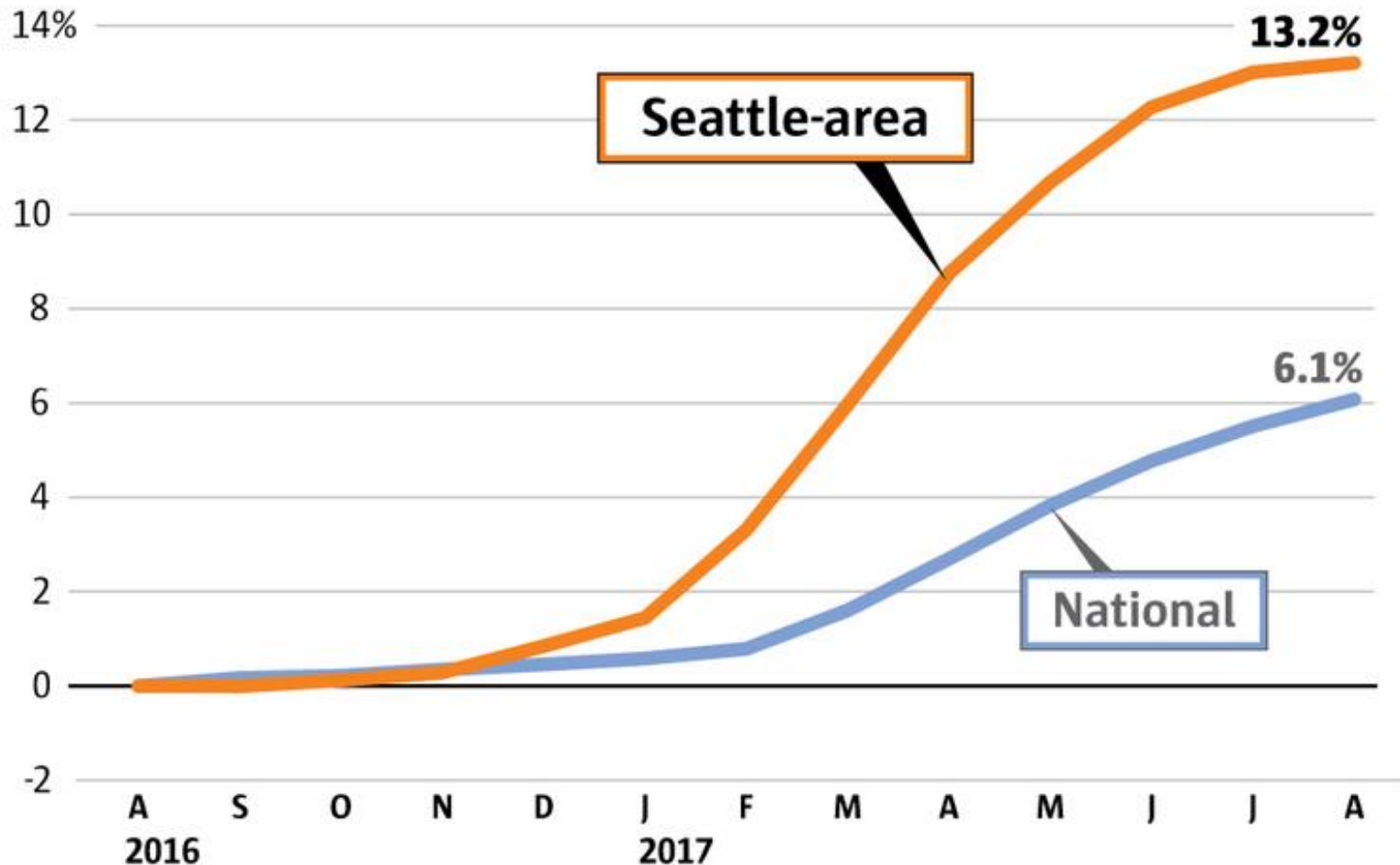
# Economic Environment

- The Puget Sound economy continues to be one of the healthiest in the country
- Home values continue to increase and housing sales remain healthy
- For 2018, we anticipate modest growth now and moderating further over the next few years

# Seattle marks a full year as America's hottest housing market, with no end in sight

Originally published By the Seattle Times on October 31, 2017

## Seattle tops the nation in home-price growth

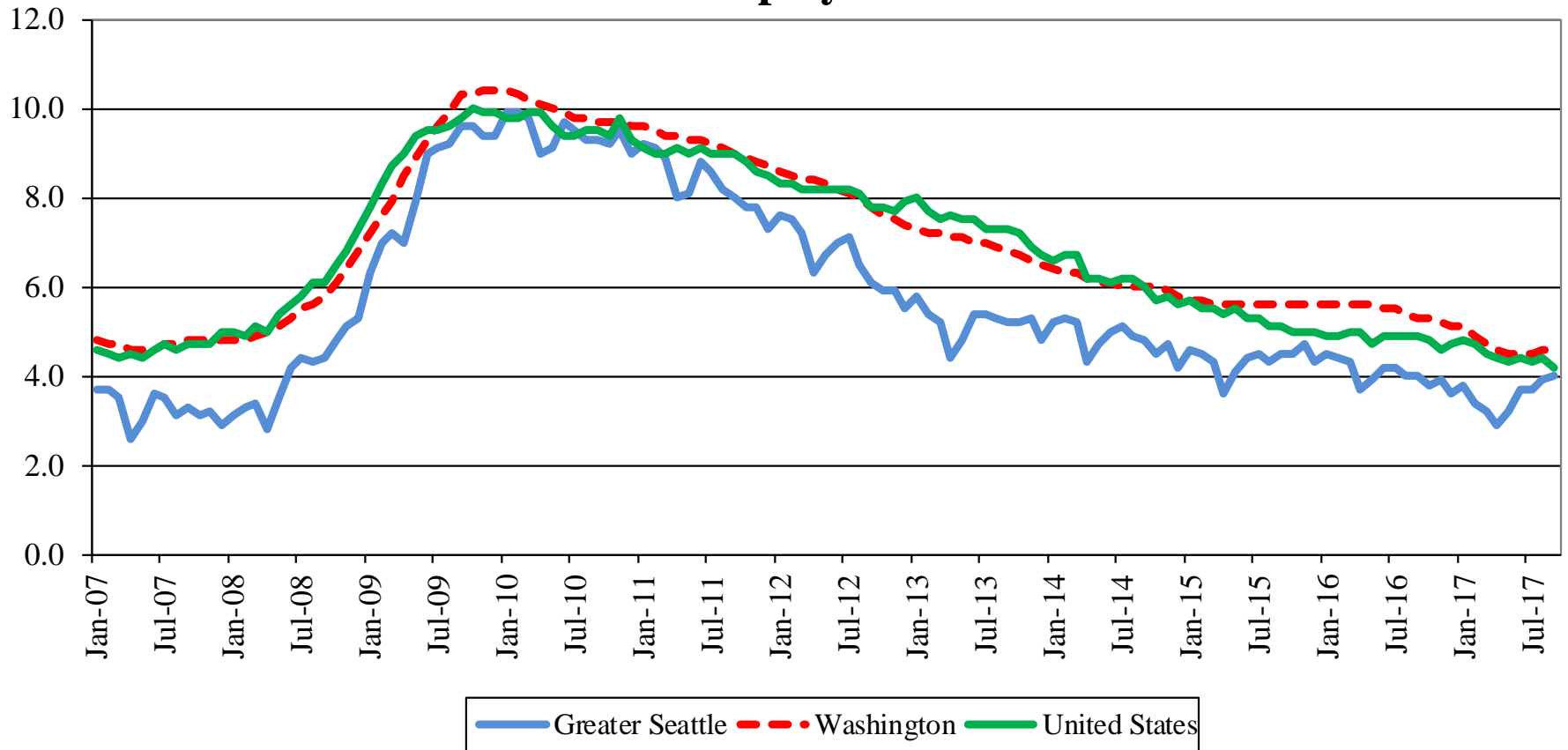


Source: S&P/Case-Shiller Home Price Indices

THE SEATTLE TIMES



## Unemployment Rates





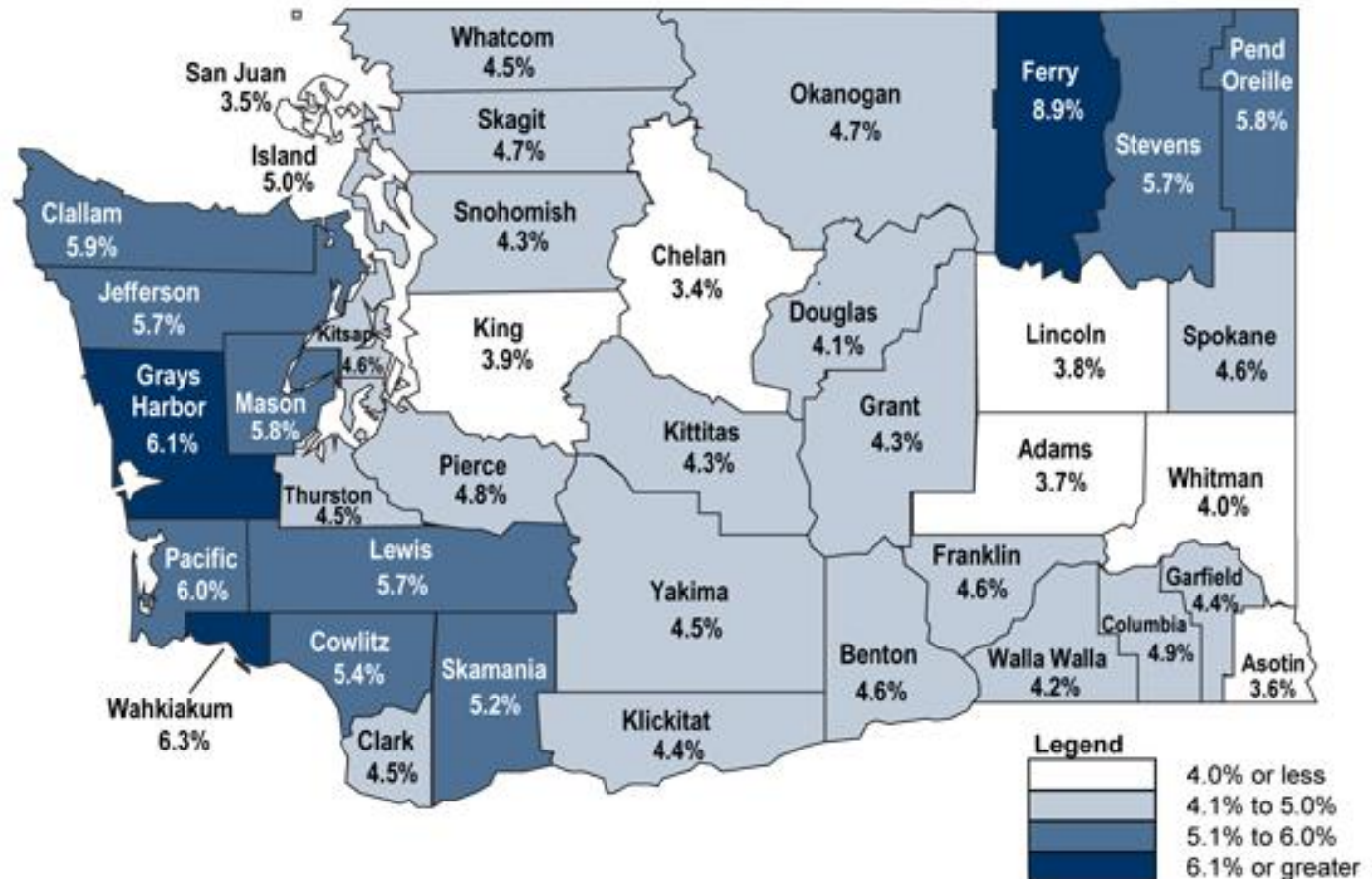


# Washington State Unemployment

## by County

September 2017

County unemployment rates, not seasonally adjusted

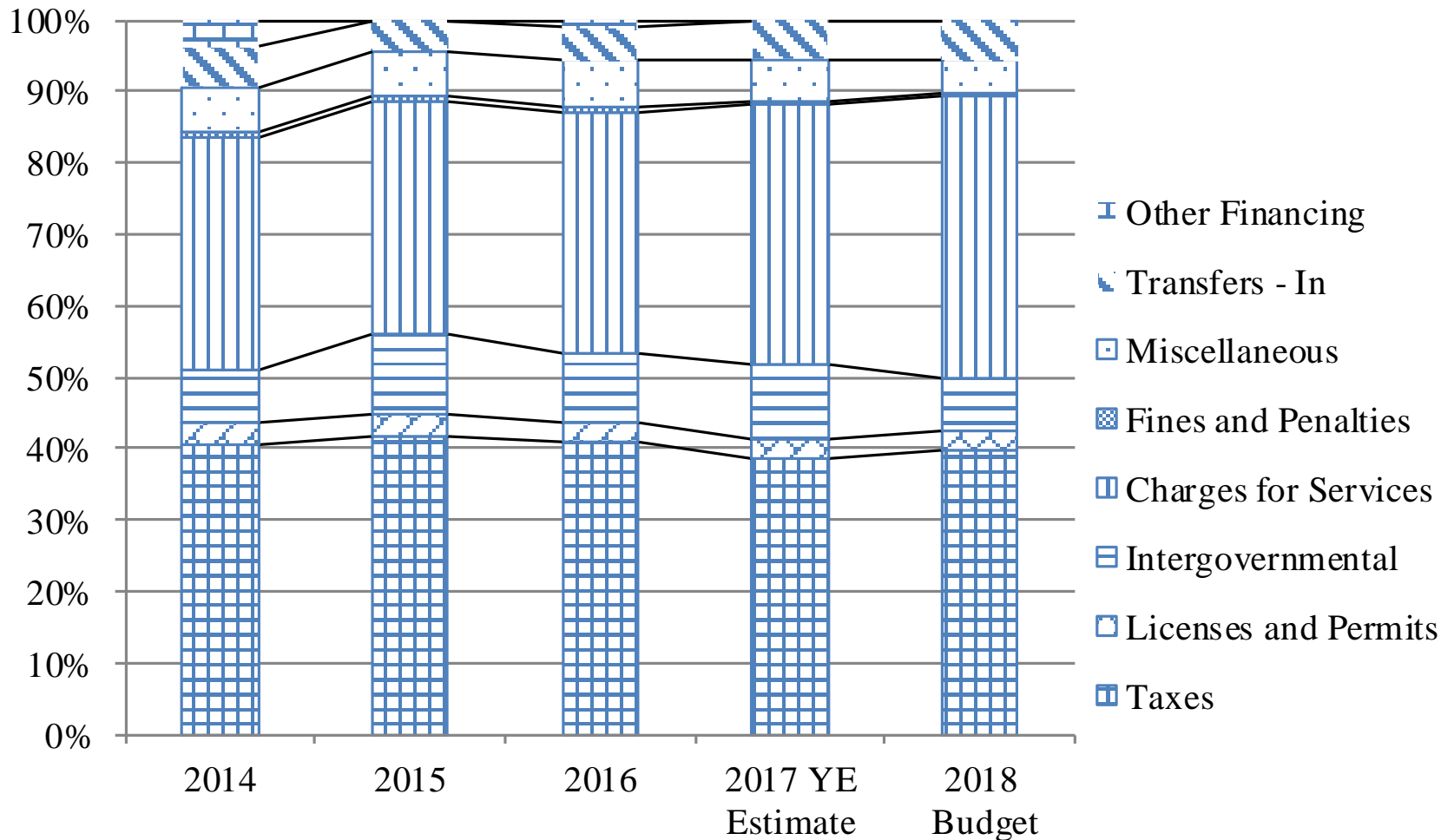




# Revenues Trend Analysis

(All Funds)

## Comparison of Revenues by Type FY 2014 - FY 2018

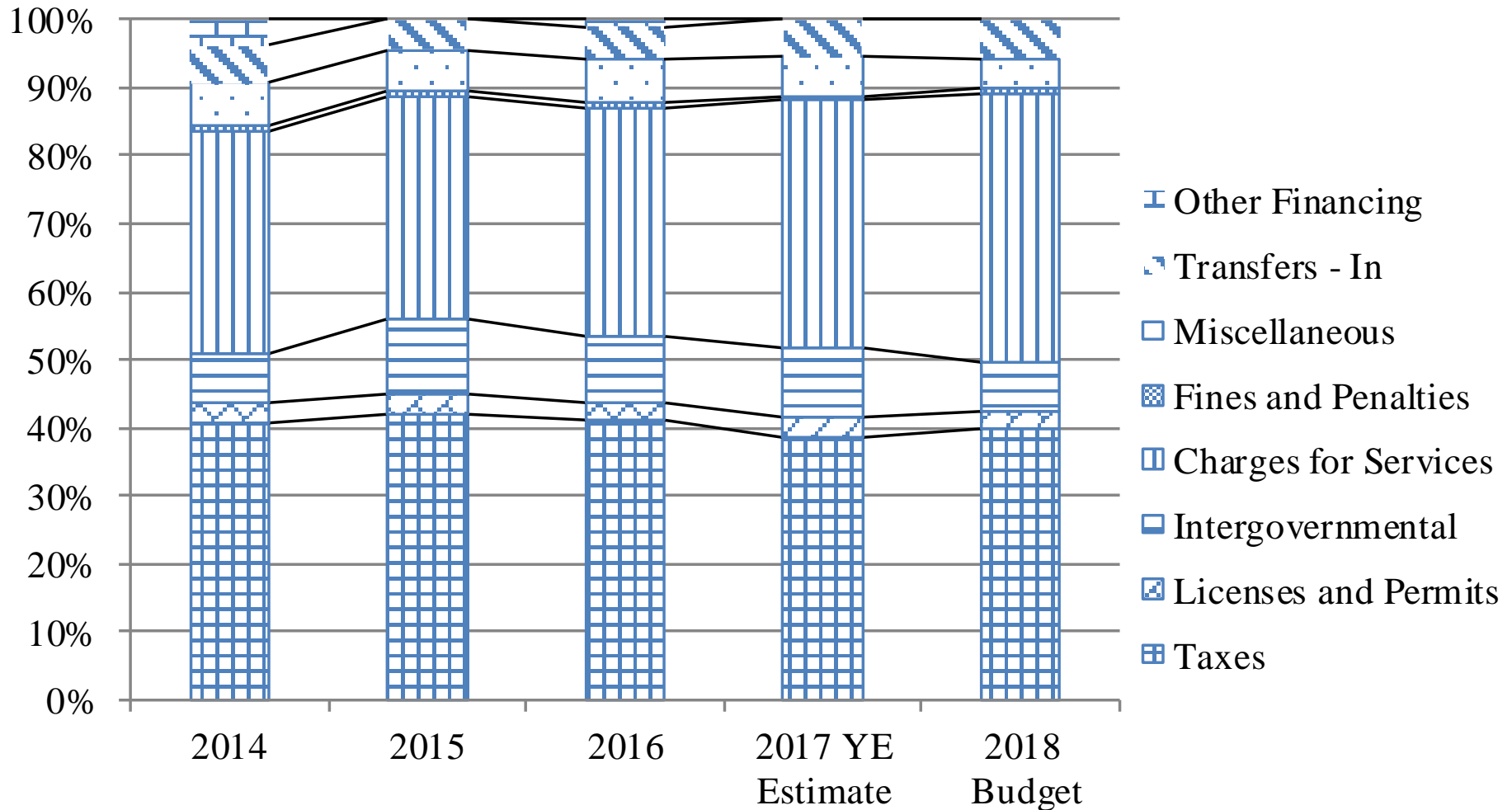




# Revenues Trend Analysis

(All Funds)

## Comparison of Revenues by Type FY 2014 - FY 2018





# Revenues Trend Analysis

(All Funds)

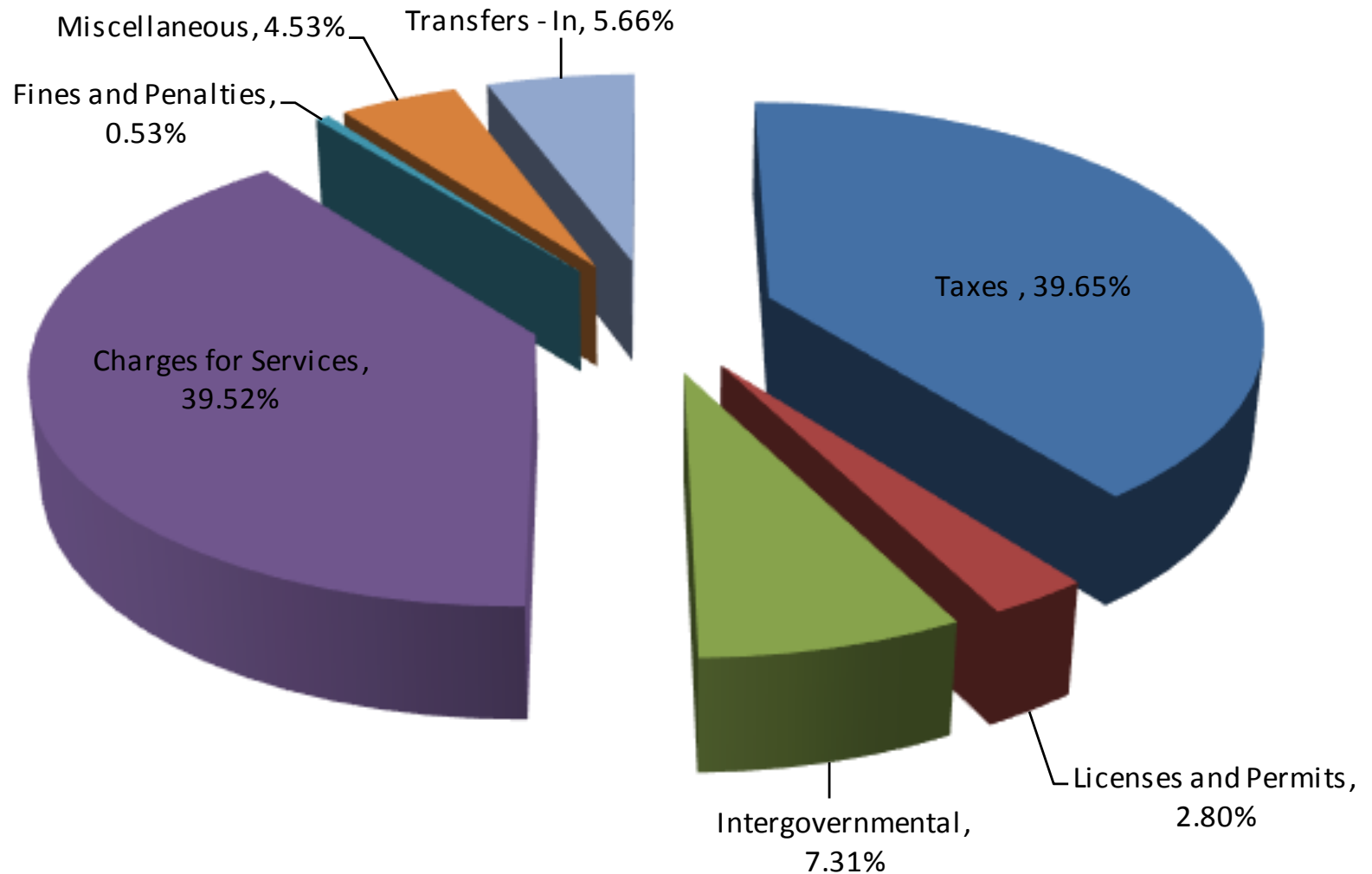
Revenues					
	2014	2015	2016	2017 YE Estimate	2018 Budget
Taxes	\$ 29,781,498	\$ 32,252,221	\$ 32,867,982	\$ 32,353,140	\$ 32,536,180
Licenses and Permits	\$ 2,223,713	\$ 2,169,852	\$ 2,313,903	\$ 2,393,850	\$ 2,296,850
Intergovernmental	\$ 5,448,527	\$ 8,769,947	\$ 7,631,403	\$ 8,553,069	\$ 5,999,113
Charges for Services	\$ 24,099,617	\$ 25,200,143	\$ 27,306,696	\$ 30,699,120	\$ 32,430,549
Fines and Penalties	\$ 563,768	\$ 535,834	\$ 522,803	\$ 441,023	\$ 435,835
Miscellaneous	\$ 4,561,967	\$ 4,714,757	\$ 5,165,615	\$ 4,851,693	\$ 3,717,876
Transfers - In	\$ 4,031,633	\$ 3,357,683	\$ 3,778,903	\$ 4,583,510	\$ 4,642,414
Other Financing	\$ 2,763,314	\$ -	\$ 838,526	\$ -	\$ -
<b>Total</b>	<b>\$ 73,474,037</b>	<b>\$ 77,000,437</b>	<b>\$ 80,425,830</b>	<b>\$ 83,875,405</b>	<b>\$ 82,058,817</b>

Taxes	41%	42%	41%	39%	40%
Licenses and Permits	3%	3%	3%	3%	3%
Intergovernmental	7%	11%	9%	10%	7%
Charges for Services	33%	33%	34%	37%	40%
Fines and Penalties	1%	1%	1%	1%	1%
Miscellaneous	6%	6%	6%	6%	5%
Transfers - In	5%	4%	5%	5%	6%
Other Financing	4%	0%	1%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# Revenues by Type

(All Funds)





# Expenditure Comparison

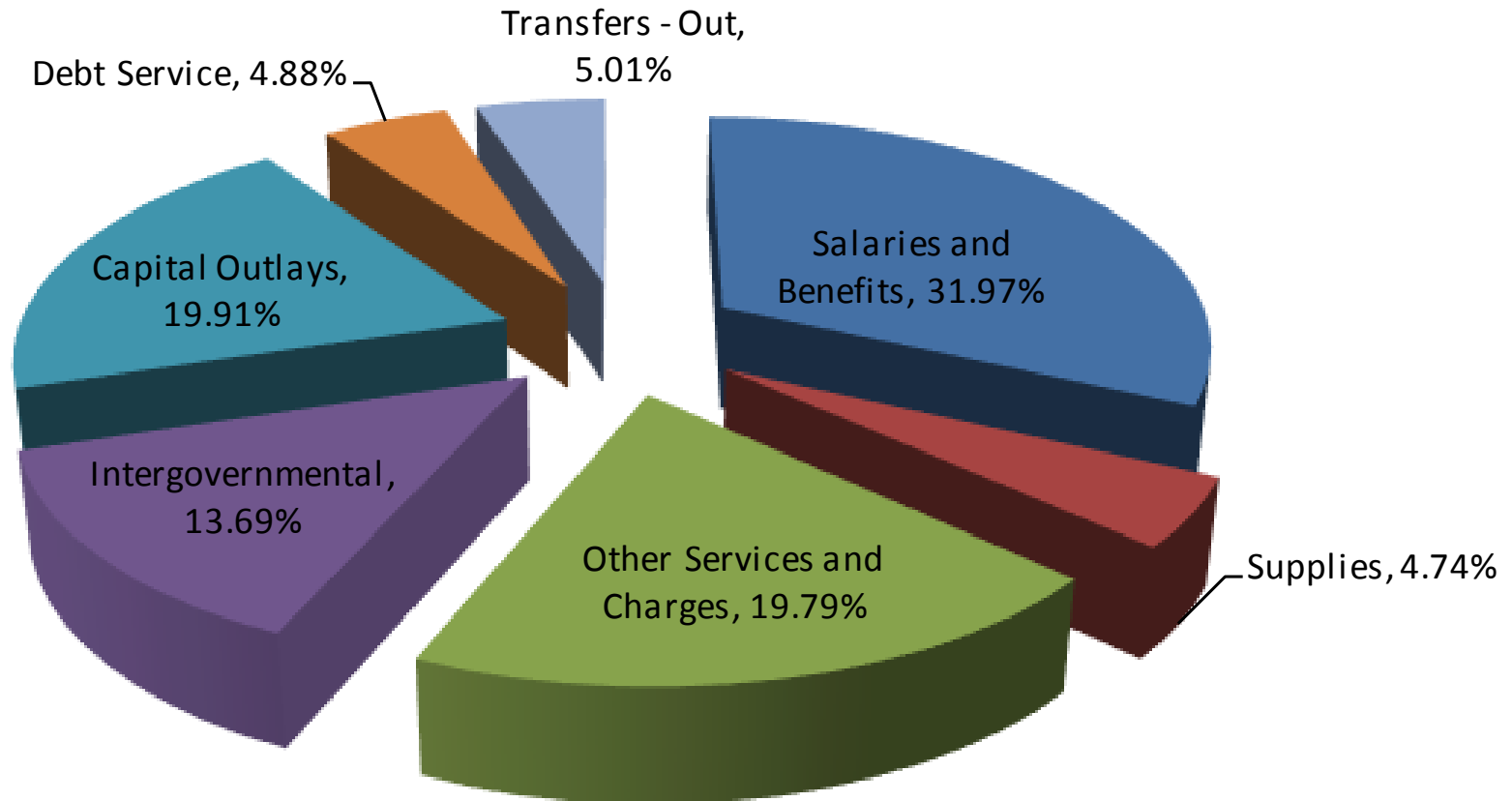
(All Funds)

	2016	2017	2017	2018	Change 18-17	Change 18-17
	Actuals	Budget	Estimate	Budget	Estimate	Estimate
General Funds	42,009,282	41,100,445	40,686,478	43,395,927	2,709,449	6.66%
Special Revenue Funds	8,012,876	14,638,459	12,236,578	9,721,549	(2,515,029)	-20.55%
Debt Service Funds	1,726,031	712,280	712,280	725,150	12,870	1.81%
Capital Funds	2,029,137	2,955,000	384,070	1,982,160	1,598,090	416.09%
Enterprise Funds	20,833,680	40,316,967	34,562,562	33,878,102	(684,460)	-1.98%
Internal Service Funds	1,013,436	2,776,430	2,724,530	2,797,378	72,848	2.67%
Firemen's Pension Fund	44,705	72,070	71,260	75,218	3,958	5.55%
TOTAL BUDGET	75,669,147	102,571,651	91,377,758	92,575,484	1,197,726	1.31%



# Expenditure By Type

(All Funds)







# 2017 - 2018 Comparison

## General Fund Revenues

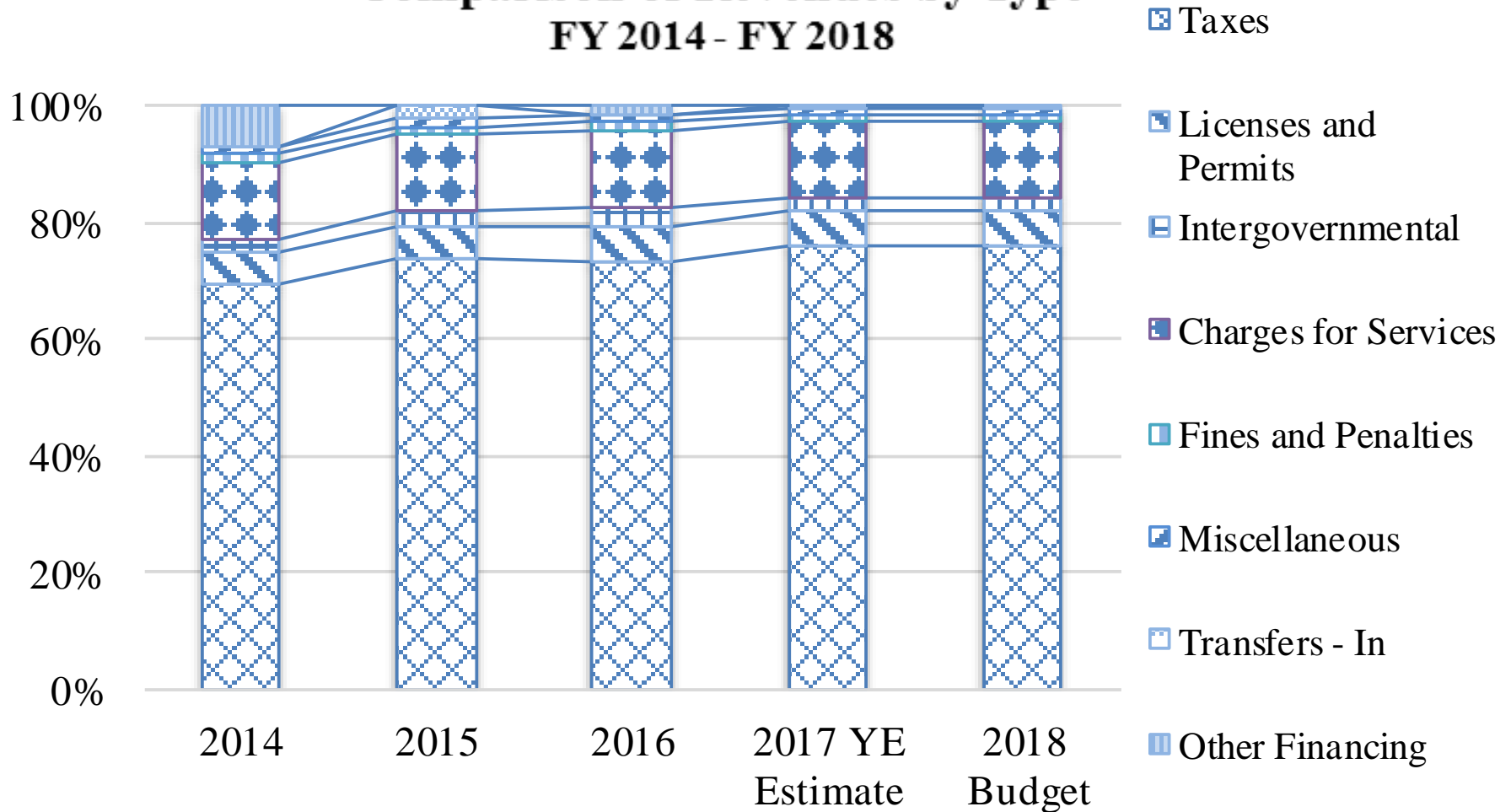
- 2018 General Fund revenue estimates are projected to increase by 0.5% over 2017



# Revenues Trend Analysis

(General Fund)

**Comparison of Revenues by Type**  
**FY 2014 - FY 2018**





# Revenues Trend Analysis

## (General Fund)

General Fund Revenues					
	2014	2015	2016	2017 YE Estimate	2018 Budget
Taxes	\$ 27,194,895	\$ 28,714,539	\$ 29,403,794	\$ 29,374,390	\$ 29,621,180
Licenses and Permits	\$ 2,176,493	\$ 2,132,897	\$ 2,269,313	\$ 2,351,850	\$ 2,255,850
Intergovernmental	\$ 766,365	\$ 977,585	\$ 1,261,998	\$ 896,126	\$ 872,536
Charges for Services	\$ 5,309,297	\$ 5,150,816	\$ 5,403,786	\$ 5,081,599	\$ 5,138,250
Fines and Penalties	\$ 558,427	\$ 535,078	\$ 522,051	\$ 436,923	\$ 431,735
Miscellaneous	\$ 412,890	\$ 505,459	\$ 473,171	\$ 528,400	\$ 550,770
Transfers - In	\$ -	\$ 822,175	\$ 82,695	\$ 26,300	\$ 26,300
Other Financing	\$ 2,763,314	\$ -	\$ 549,095	\$ -	\$ -
<b>Total</b>	<b>\$ 39,181,681</b>	<b>\$ 38,838,549</b>	<b>\$ 39,965,902</b>	<b>\$ 38,695,588</b>	<b>\$ 38,896,621</b>

Taxes	69%	74%	74%	76%	76%
Licenses and Permits	6%	5%	6%	6%	6%
Intergovernmental	2%	3%	3%	2%	2%
Charges for Services	14%	13%	14%	13%	13%
Fines and Penalties	1%	1%	1%	1%	1%
Miscellaneous	1%	1%	1%	1%	1%
Transfers - In	0%	2%	0%	0%	0%
Other Financing	7%	0%	1%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# General Fund Key Revenues

Revenue	2017 YE Estimate	2018 Proposed	Variance	%	Discussion
Property Tax	\$10,208,550	\$10,367,860	\$159,310	1.6%	includes 1% increase
EMS Levy Tax	\$3,950,000	\$4,027,540	\$77,540	2.0%	
Sales Tax	\$7,300,000	\$7,275,000	(\$25,000)	-0.3%	Tax growth stabilizing

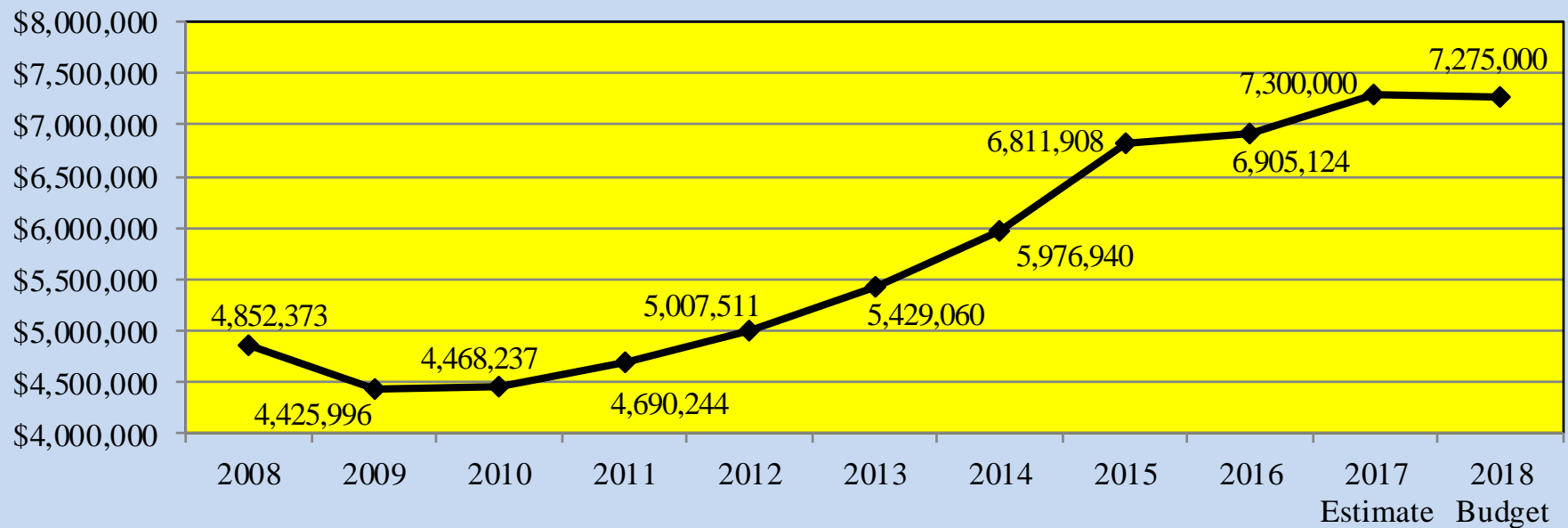


# Property Tax Revenues

Year	Total Assessed Value (A V)	New Construction Assessment	Regular Property Tax Revenue From New Construction
2018	\$9,118,234,897	\$38,266,907	\$47,819
2017	\$8,177,283,180	\$39,277,000	\$42,321
2016	\$7,369,027,390	\$43,500,982	\$64,017
2015	\$6,775,485,646	\$26,567,300	\$42,748
2014	\$6,102,411,700	\$20,626,738	\$36,334
2013	\$5,545,239,847	\$29,860,169	\$49,592
2012	\$5,794,644,465	\$21,270,476	\$31,409
2011	\$6,433,258,853	\$18,004,460	\$24,288
2010	\$6,955,482,717	\$18,563,567	\$22,274

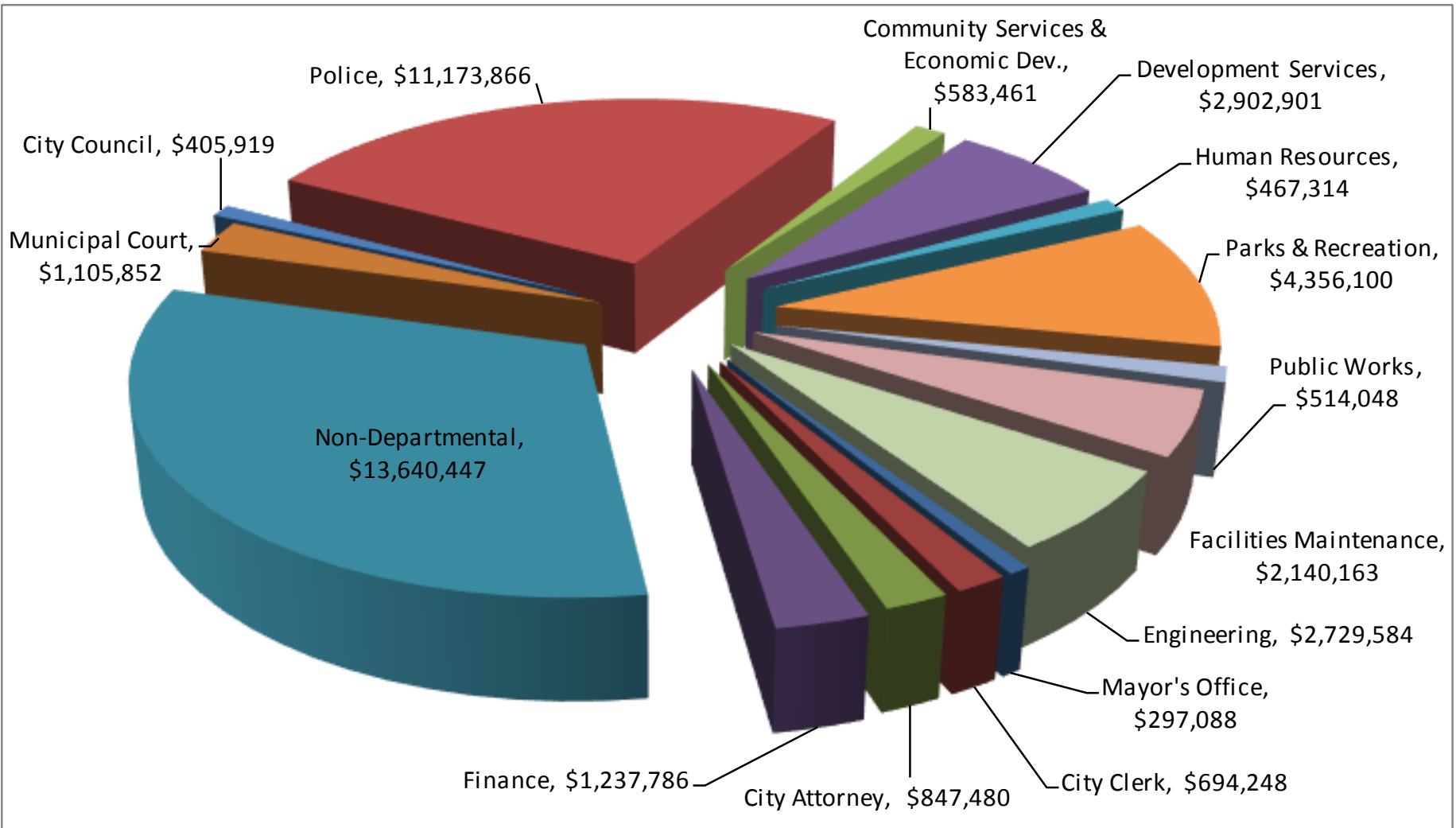


# Sales Tax Revenues





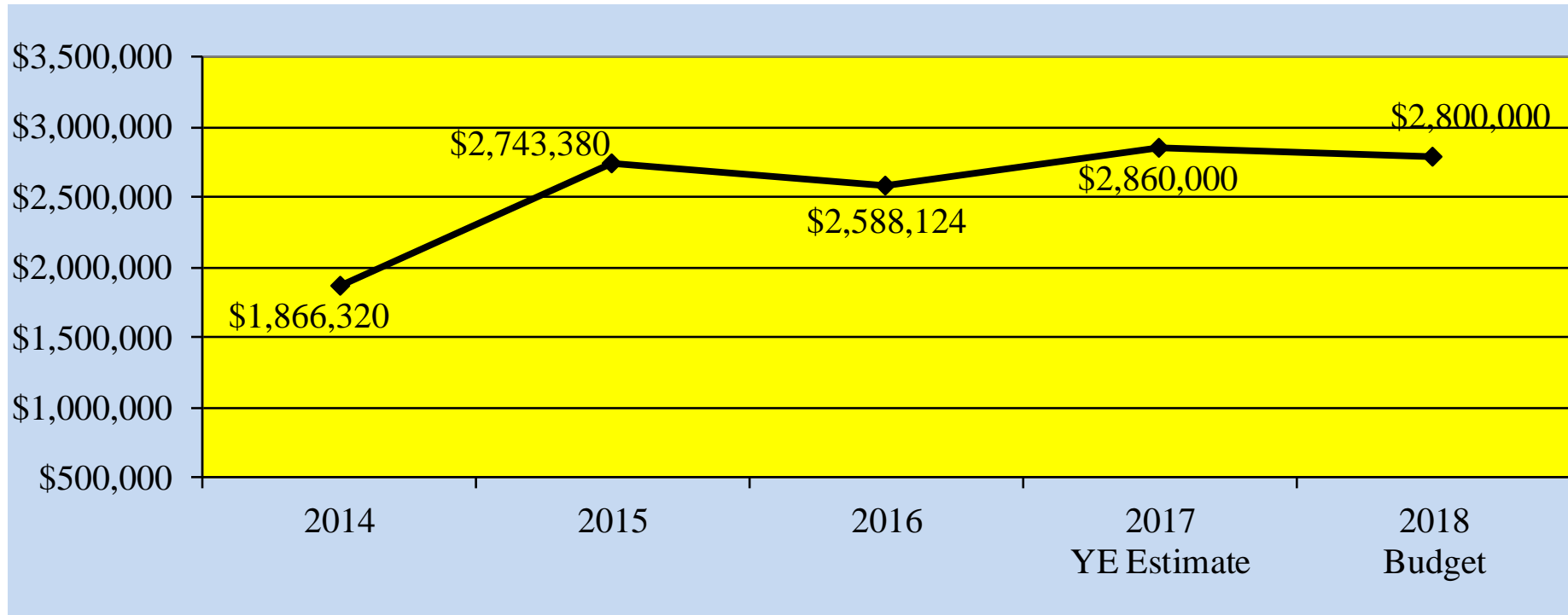
# General Fund Expenditures







# REET Revenues





# Questions?